

Income Deductions

Blind Work Expenses(BWE) - The first \$300 of earned income is exempt for persons reporting allowable work expenses. Allowable expenses for the blind are expenses reasonably related to earning the income. If the verified expenses exceed \$300, actual averaged expenses shall be allowed. The amount of BWE may never exceed the total amount of earned income. Expenses cannot be subject to reimbursement from any source (including Medicaid or the employer).

The earned income of an individual reporting blind work expenses shall be entered on the Self-Employment income screen using the '**BW**' code as the income type. The self-employment worksheet shall be completed and a screen print made for the file entering either the \$300 standard or the average of the actual expenses.

Impairment Related Work Expenses (IRWE) - The first \$100 of earned income is exempt for persons reporting allowable work expenses. If the verified work expenses exceed \$100, actual averaged expenses shall be allowed. Allowable expenses are those directly related to enabling a person to work which are incurred because of a physical or mental impairment. The amount of IRWE may never exceed the total amount of earned income. Expenses cannot be subject to reimbursement from any source (including Medicaid or the employer).

The earned income of an individual reporting impairment related work expenses shall be entered on the Self-Employment income screen using the '**IW**' code as the income type. The self-employment worksheet shall be completed and a screen print made for the file entering either the \$100 standard or the average of the actual expenses.

Income Producing Cost Deduction - The 25% standard deduction is subtracted from the gross earnings of a person who is self employed. If costs are greater than 25%, actual costs are used, not to exceed gross earnings. Even if no costs are reported, the 25% standard is still allowed for both earned and unearned self employment income.

For earned self employment income, the 25% standard is entered on the Self-Employment work screen using the '**E**' code for expenses. For unearned self employment income, the 25% standard must be calculated by hand and the adjusted gross income amount entered on the UNIN screen.

Example: Melanie has been blind since birth and ever since she was old enough to speak she has been advocating for the blind. Melanie has an application for Working Healthy benefits. Melanie has worked part-time 15 hours a week for years in her family's mail order candy business and submits all of her pay stubs for May & June reflecting wages of \$155, \$147, \$152, \$145, \$158, \$154, \$149, \$155, \$157. Melanie also has numerous work related expenses and verifies \$20 monthly food for her guide dog, \$80 every 6 months for heart worm medication for the dog, veterinarian check ups every 6 months at \$60 each, city dog license of \$15 yearly, transportation on A&A medical transport to and from work each month \$200, and \$75 monthly fees to have industry newsletters translated into braille. The EES worker also determines that Melanie's taxes withheld from her paychecks average \$25 monthly.

STEP 1 The worker completes the SEEI screen entering the 'BW' code as the income type.

SEEI	SELF EMPLOYMENT / INTERMITTENT INCOME				071008 14:27			
	MEDICAL				BUDGET METHOD: M WORKER NAME			
CASE NAME: JACK, MELANIE				CASE NUMBER: 00011890				MONTH: 0708
NEW DEN NC				- ----MONTHLY----				
NAME	REL	EMP CODE	TYPE	LS	PGM	ADJ GROSS	HOURS	VR
01 MELA J	PI		BW		CA/ME		15	HC
MORE INCOME:				MORE CLIENTS:		NEXT-->		

STEP 2 The worker then hits "enter" and the self-employment worksheet becomes available.

STEP 3 The worker determines that the average of all paychecks is \$152.44, multiplies this by 4.3 (since Melanie is paid weekly), and \$655.49 monthly income is entered on the worksheet.

STEP 4 The average monthly amount of all of Melanie's work related expenses is \$344.58 (\$20 + \$13.33 + \$10.00 + \$1.25 + \$200.00 + \$75.00 + \$25.00). The average is entered since it is greater than the \$300 standard.

STEP 5 A screen print of the worksheet is made and placed in the file.

SEEW	SELF EMPLOYMENT WORKSCREEN				071008 14:36			
	MEDICAL				WORKER NAME			
CASE NAME: JACK, MELANIE				CASE NUMBER: 00011890				MONTH: 0708
PERSON: MELA J				INCOME TYPE: BW				
AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	
655.49	I	344.58	E					
SHARE%: 100 CA/ME PERIOD: 1 FS PERIOD:								
TOTAL GROSS: 655.49		EXPENSES: 344.58		ADJUSTED GROSS: 310.91				
SHARE GROSS: 655.49		EXPENSES: 344.58		ADJUSTED GROSS: 310.91				
						CA/ME PRORATED : 310.91		
						FS PRORATED :		
>>>> PLEASE PRINT SCREEN - DATA NOT SAVED <<<<								

5/2008

Income Disregards

There are two deductions that are automatically allowed by the KAECCS system for MS programs. These disregards are allowed for the combined incomes of all MS individuals in the plan and all excluded legally responsible persons.

\$20 Disregard - \$20 or unearned income per month is disregarded for the MS program (except for consumers residing in a nursing facility).

Earned Income disregard – The first \$65 and ½ of the remaining total gross earnings are disregarded. Remember to receive WH, countable monthly earned income must exceed the standard earned income disregard of \$65!!!

Example: A Working Healthy consumer receives gross monthly Social Security Disability benefits of \$630 and has gross monthly earnings of \$295. The KAECCS system will determine the countable income as follows:

<u>UNIN</u>		<u>EAIN</u>		
\$630		\$295		
- 20		- 65		
		\$230		
		÷ 2		
\$610	+	\$115	=	\$725 Total

Note: If UNIN is <\$20, the remaining portion of the \$20 disregard is applied to EAIN.

Example: Mary, a WH consumer receives gross monthly Social Security Disability benefits of \$460 and has gross monthly earnings of \$424. Bill, her husband, is 65 and receives Social Security benefits of \$620 and gross monthly earnings of \$295.

<u>UNIN</u>		<u>UNIN</u>		<u>EAIN</u>		<u>EAIN</u>
\$460		\$620		\$424		\$295
- 20				- 65		
				\$359		
				÷ 2		÷ 2
\$440	+	\$620	+	\$179.50	+	\$147.50
					=	\$ 1,387 Total

Working Healthy Notes

